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SUBJECT: (C) KAZAKHSTAN: OUSTED BTA BANK HEAD ABLYAZOV
SEEKS REGIME CHANGE FROM LONDON

REF: A. ASTANA 204

[B](#). ASTANA 250

[C](#). ASTANA 286

[D](#). ASTANA 386

Classified By: Political Minister Counselor Greg Berry, reasons 1.4 (b/d).

[1](#)1. (C) Summary. After what he labeled a "political ouster" from the Chairmanship of BTA Bank at the behest of President Nazarbayev, Mukhtar Ablyazov maintained to London Poloff that BTA Bank was Kazakhstan's "healthiest bank." Dismissing the recent Kazakh legal case against him as unfounded, Ablyazov is seeking legal immigration status in the UK as the base for his self-imposed exile. From London, Ablyazov plans to continue supporting political groups opposing Nazarbayev and to actively seek regime change in Kazakhstan, supposedly in favor of democracy. Ablyazov contends Nazarbayev remains focused on his arrest and censure because Nazarbayev knows that Ablyazov is one of the few individuals with the resources and influence to hinder the President's eventual transfer of power to a chosen successor, likely someone from the President's family. End summary.

BTA: The Chairman, The President, and The Bank

[1](#)2. (C) In a March 20 meeting with Embassy London Poloff, former BTA Bank Chairman Mukhtar Ablyazov explained the circumstances around his "political ouster" from the bank, the bank's health relative to other Kazakh financial institutions, and his plans to support other political opponents to Kazakh President Nazarbayev from London.

[1](#)3. (C) Ablyazov said the Kazakhstani Government's February 2 decision to nationalize BTA Bank, which prompted Ablyazov's ouster as BTA Chairman, was "obviously politically motivated" because the President -- not the State -- wanted to personally control the country's financial sector. Ablyazov estimated that the President either directly or indirectly controls over 80 percent of the Kazakh financial sector, with many assets cloaked under family members' names. He quipped that just as the President's political party controls 90 percent of the seats in Parliament, the President controls 90 percent of all the crucial sectors of the economy and every part of Kazakh life.

[1](#)4. (C) Ablyazov rebuffed independent financial analysts' suggestions that BTA was over-extended, saying that BTA was the "healthiest bank in Kazakhstan." Claiming that BTA had a risk portfolio diversified in various sectors and countries, he noted that the bank's balance sheets reflected reduced levels of assets commiserate with the recent decreased global economic activity. He said other Kazakh banks generally held between 60 and 90 percent of their assets in state-owned companies, which are the worst performing assets, but that BTA never held more than 12 percent of such assets. He said BTA continued to grow in 2008, even after the financial crisis began, and that the bank had the trust of foreign investors, whereas other Kazakh banks began to contract as soon as the crisis hit.

15. (C) Turning to his relationship with President Nazarbayev, Ablyazov said that Nazarbayev had personally asked him to return from Moscow in 2005 to take charge of BTA Bank. Ablyazov was charged with consolidating BTA's shares and increasing the bank's performance as long as Ablyazov promised to remain politically inactive. Ablyazov said he left Kazakhstan in 2003 after an apparent mistake by the Kazakh Secret Service, which had been ordered to prevent his travel out of Kazakhstan, permitted Ablyazov to leave the country. While in Russia he had supported several opposition movements and was head of the Democratic Choice of Kazakhstan (DVK). When he returned to Kazakhstan in 2005, he decided to continue his political activities covertly. He explained that the President received conflicting information as to whether Ablyazov was involved in political opposition movements. The President's daughter said Ablyazov had been, but the Head of the Secret Service told the President he had not. The intelligence head, according to Ablyazov, told the President that Ablyazov did not have opposition links because the intelligence chief knew that the Secret Service had "messed up" by allowing Ablyazov to leave the country in 2003 and did not want to compound the impact of the error by admitting Ablyazov had become engaged in opposition politics.

16. (C) Ablyazov said that although he had never publicly supported the unregistered opposition political movement Alga, he had always privately supported them. He said he has also provided direct assistance to the United Social Democrat Party and communist parties -- "to anyone who is against the President."

The New Case Against Ablyazov

17. (C) Ablyazov told Poloff the recent money laundering case the Government has announced against him is unfounded. He quipped that even the Government's announcement of the case through the Prosecutor General's website had violated several privacy laws. He noted that neither he nor his lawyers have received any formal notification of the charges and that the Government had not followed due process procedures. He said that the Government is likely trying to build its case on the personal assets that Ablyazov sold in 2007, around the time the so-called "financial sources" legislation was enacted. He said that these transactions were completely legal and in the open, as evidenced by the Government's issuance in November 2008 of a license to allow Ablyazov to export the money as part of his official income.

Ablyazov's Future Plans: A London Base for Political Opposition

18. (C) Ablyazov said he plans to stay in London indefinitely, and his lawyers are pursuing an application for legal status in the UK (NFI). He said he plans "to support all opposition movements" and will try "to change the regime in Kazakhstan," as he views it as a "criminal" government that should be forced from power. First on his agenda is to increase the amount of opposition reporting on his satellite television station "K Plus," which will transmit to all of Central Asia from April 2009 when the station will be available through three satellite networks. He said K Plus will also stream over the internet and has several offices throughout central Asia. He also plans to work with his in-country political network to mobilize change.

19. (C) Ablyazov said President Nazarbayev has sent several people to speak to him, asking that he return to Kazakhstan to "advise" the President on the banking sector. Ablyazov views these overtures as a ruse to bring him into custody and/or control his political activities. In Ablyazov's estimation, Nazarbayev remains focused on his arrest and censure because Nazarbayev knows that Ablyazov is one of the few individuals with the resources and influence to hinder the President's eventual transfer of power to a chosen successor, likely someone from the President's family. Ablyazov claimed that Russian contacts have already told him

that the Russian security services have agreed to monitor Ablyazov's Russia-based assets and provide information to the Kazakh Government that may lead to his detention or political atrophy.

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